

AMENDED IN ASSEMBLY MARCH 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 947

Introduced by Assembly Member Solorio

February 18, 2011

~~An act to amend Section 11734 of the Insurance Code, relating to workers' compensation insurance.~~ *An act to amend Section 4656 of the Labor Code, relating to workers' compensation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 947, as amended, Solorio. Workers' compensation ~~insurance~~: ~~rates~~: *temporary disability payments.*

Existing workers' compensation law generally requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of, or in the course of, employment. Existing law generally prohibits aggregate disability payments for a single injury occurring on or after January 1, 2008, causing temporary disability from extending for more than 104 compensable weeks within a period of 5 years from the date of injury. Under existing law, if an employee suffers from specified injuries or conditions, aggregate disability payments for a single injury occurring on or after April 19, 2004, causing temporary disability are prohibited from extending for more than 240 compensable weeks within a period of 5 years from the date of injury.

This bill would add prescribed injuries that require treatment that cannot medically be completed within 104 weeks to the specified injuries or conditions that instead prohibit aggregate disability payments from extending for more than 240 compensable weeks within a period of 5 years from the date of injury.

~~Existing law requires workers' compensation insurers to adhere to a uniform experience rating plan filed with the Insurance Commissioner by a rating organization designated by the commissioner and subject to his or her disapproval. Existing law authorizes an insurer to develop its own classification system upon which a rate may be made or adopt the classification system developed by the designated rating organization; provided, however, that any classification system developed by an insurer be filed with the commissioner 30 days prior to its use.~~

~~This bill would instead require that any classification system developed by an insurer be approved by the commissioner prior to its use.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4656 of the Labor Code is amended to
2 read:

3 4656. (a) Aggregate disability payments for a single injury
4 occurring prior to January 1, 1979, causing temporary disability
5 shall not extend for more than 240 compensable weeks within a
6 period of five years from the date of the injury.

7 (b) Aggregate disability payments for a single injury occurring
8 on or after January 1, 1979, and prior to April 19, 2004, causing
9 temporary partial disability shall not extend for more than 240
10 compensable weeks within a period of five years from the date of
11 the injury.

12 (c) (1) Aggregate disability payments for a single injury
13 occurring on or after April 19, 2004, causing temporary disability
14 shall not extend for more than 104 compensable weeks within a
15 period of two years from the date of commencement of temporary
16 disability payment.

17 (2) Aggregate disability payments for a single injury occurring
18 on or after January 1, 2008, causing temporary disability shall not
19 extend for more than 104 compensable weeks within a period of
20 five years from the date of injury.

21 (3) Notwithstanding paragraphs (1) and (2), for an employee
22 who suffers from the following injuries or conditions, aggregate
23 disability payments for a single injury occurring on or after April

1 19, 2004, causing temporary disability shall not extend for more
2 than 240 compensable weeks within a period of five years from
3 the date of the injury:

4 (A) Acute and chronic hepatitis B.

5 (B) Acute and chronic hepatitis C.

6 (C) Amputations.

7 (D) Severe burns.

8 (E) Human immunodeficiency virus (HIV).

9 (F) High-velocity eye injuries.

10 (G) Chemical burns to the eyes.

11 (H) Pulmonary fibrosis.

12 (I) Chronic lung disease.

13 (J) *Injuries to more than one body part requiring a course of*
14 *treatment to restore maximal function that cannot medically be*
15 *completed within 104 weeks.*

16 (K) *Injuries that require multiple stage treatments or procedures*
17 *to restore function where the full course of treatment cannot*
18 *medically be completed within 104 weeks.*

19 ~~SECTION 1. Section 11734 of the Insurance Code is amended~~
20 ~~to read:~~

21 ~~11734. (a) Every workers' compensation insurer shall adhere~~
22 ~~to a uniform experience rating plan filed with the commissioner~~
23 ~~by a rating organization designated by the commissioner and~~
24 ~~subject to his or her disapproval.~~

25 ~~(b) The commissioner shall designate a rating organization to~~
26 ~~assist him or her in gathering, compiling, and reporting relevant~~
27 ~~statistical information, and to develop a classification system. An~~
28 ~~insurer may develop its own classification system upon which a~~
29 ~~rate may be made or adopt the classification system developed by~~
30 ~~the designated rating organization; provided, however, that any~~
31 ~~classification system developed by an insurer shall be approved~~
32 ~~by the commissioner prior to its use. The commissioner shall~~
33 ~~disapprove a classification system filed by an insurer pursuant to~~
34 ~~this section if the insurer fails to demonstrate that the data thereby~~
35 ~~produced can be reported consistent with the uniform statistical~~
36 ~~plan or the classification system developed by the rating~~
37 ~~organization. Every workers' compensation insurer shall record~~
38 ~~and report its workers' compensation experience to the designated~~
39 ~~rating organization as set forth in the uniform statistical plan~~
40 ~~approved by the commissioner.~~

1 ~~(e) The designated rating organization shall develop and file~~
2 ~~manual rules, subject to the approval of the commissioner,~~
3 ~~reasonably related to the recording and reporting of data pursuant~~
4 ~~to the uniform statistical plan, uniform experience rating plan, and~~
5 ~~any classification systems that may be in effect. Every workers'~~
6 ~~compensation insurer shall adhere to the approved manual rules~~
7 ~~and experience rating plan in writing and reporting its business.~~
8 ~~An insurer shall not agree with any other insurer or with a rating~~
9 ~~organization to adhere to manual rules that are not reasonably~~
10 ~~related to the recording and reporting of data pursuant to the~~
11 ~~uniform statistical plan or classification system developed by the~~
12 ~~rating organization.~~

13 ~~(d) The designated rating organization shall also develop and~~
14 ~~file with the commissioner a weekly premium per employee for~~
15 ~~each classification used or proposed for use by that organization.~~
16 ~~The weekly premium shall be developed by applying the proposed~~
17 ~~rate for each classification to the state average weekly wage. For~~
18 ~~the purpose of this section, "state average weekly wage" means~~
19 ~~the average weekly wage paid by employers to employees covered~~
20 ~~by unemployment insurance as reported by the United States~~
21 ~~Department of Labor for California for the 12 months ending~~
22 ~~March 31 of the calendar year preceding the year in which the~~
23 ~~injury occurred.~~